



TRUMP

Donation of Profits
from Foreign
Government Patronage

OVERVIEW	2
POLICY SCOPE	3
IDENTIFICATION OF FOREIGN GOVERNMENT PATRONAGE	4
CALCULATION OF PROFIT	6
DONATIONS TO US TREASURY	8

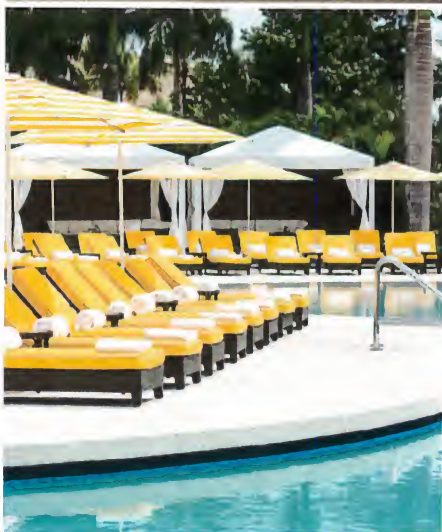
TABLE OF CONTENTS

OVERVIEW

The purpose of this policy is to define the procedure and application of The Trump Organization's (the "**Company**") voluntary directive to donate all profits from foreign governments' patronage at our hotels and similar businesses during President Trump's presidential term to the U.S. Treasury.

We acknowledge that it is not customary in the hospitality industry to identify and calculate profits from a particular customer group. Therefore, this policy has been designed for our hotels and similar businesses to rely on known and identifiable source data and documentation to quantify amounts and profit calculations.

Regarding the calculation of profit, consistent with the hospitality industry, our hotels follow the accounting and financial reporting guidance provided for in the Uniform System of Accounts for the Lodging Industry, Eleventh Revised Edition ("**USALI**"). The USALI provides a format of operating statement which calculates and defines net income ("**Profit**") as operating revenue less all expenses in connection with the business.



POLICY SCOPE

Our portfolio of hotels and similar businesses (the “**Properties**”) consists of both (1) wholly-owned hotels, resorts and clubs, and (2) managed hotels and condominium-hotels. The scope of this policy is applicable to:

- (1) Profit generated from foreign governments’ patronage from wholly-owned Properties and;
- (2) Profit generated from management fees earned from managed hotels and condominium-hotels attributed to foreign governments’ patronage.

The policy is not applicable to profits earned by and attributed to the owners of condominium-hotel units located in the Company’s managed condominium-hotel properties, as those profits belong to the individual condominium-units owners.



IDENTIFICATION OF FOREIGN GOVERNMENT PATRONAGE

In the normal course of operating hotels, revenue is generated from the sale of overnight guestroom stays, food and beverage, conference and banquet services, spa services, retail sales, recreation activities and other ancillary services. Consistent with the hotel industry, we may accept patronage from not only registered guests and contracted groups staying at our Properties, but also transient, walk-in customers (for example, restaurant patrons).

To fully and completely identify all patronage at our Properties by customer type is impractical in the service industry and putting forth a policy that requires all guests to identify themselves would impede upon personal privacy and diminish the guest experience of our brand. It is not the intention nor design of this policy for our Properties to attempt to identify individual travelers who have not specifically identified themselves as being a representative of a foreign government entity on foreign government business.

It is the intention of this policy for our Properties to make commercially reasonable efforts using the three sources noted below to determine when a Property has received revenue from an entity that represents a foreign government on foreign government business (“**Foreign Government Revenues**”).

To practically track and identify Foreign Government Revenues received from customers representing a foreign government, our Properties shall utilize the following sources:

1. **All direct billings from the Property to a foreign government;**
2. **All contracted group, banquet and catering business with the Property from a foreign government; and**
3. **All payments received by the Property via check or electronic payment (i.e., bank wire transfer) from a reasonably identifiable foreign government entity.**

This policy defines “**foreign government entity**” to mean a (i) department or agency of a foreign government, (ii) a foreign embassy, (iii) a foreign political party, (iv) members of a royal family, or (v) a sovereign wealth fund. We recognize that foreign governments can be organized in very different ways. Some may operate through state-owned and state-controlled entities in industries such as aerospace and defense, banking, finance, healthcare, energy and others, which may not be reasonably identifiable as foreign government entities, and therefore may not be included in our calculation of profit to be donated.

Our Properties shall identify and provide a separate accounting for all revenues received from foreign governments’ patronage on a regular basis. The accumulated total amount of revenues identified shall be aggregated on an annual basis and used for the calculation of profit attributed from that patronage, as defined below.



CALCULATION OF PROFIT

WHOLLY-OWNED PROPERTIES

In summary, the USALI calculation of Profit is defined as total operating revenue ("Revenue") less (1) total departmental expenses, (2) total undistributed expenses and (3) total non-operating expenses.

As our Properties generate various revenue streams from sales of product offerings with different revenue pricing and cost structures, our most relevant measure of Profit is the Revenue received by the Property less the costs required to provide such Revenue. To attempt to individually track and distinctly attribute certain business-related costs as specifically identifiable to a particular customer group is not practical, nor would it even be possible without an inordinate amount of time, resources and specialists, which would still be subject to some measure of estimation and cost allocation methodology.

As such, the most reasonable and effective way to measure Profit from a particular customer base is to apply an overall Property Profit calculation on a pro-rata basis to the revenue generated from that customer base. It is our policy therefore to calculate Profit from foreign governments' patronage in this manner. An example of this methodology is summarized below for illustrative purposes only:

Example: A wholly-owned hotel generated on an annual basis \$10,000,000 in Revenue, of which \$500,000 (5%) was identified as Foreign Government Revenue. The hotel's total annual department expenses are \$7,500,000 and annual non-operating expenses are \$1,000,000. Annual net income (Profit) for this hotel is \$1,500,000.

1. In this example, the hotel's gross operating profit as defined by USALI is \$2,500,000, or 25% of Revenue. The hotel applies the same 25% gross operating percentage margin to the \$500,000 of Foreign Government Revenue to determine its gross operating profit on the Foreign Government Revenue to be \$125,000 ($\$500,000 \times 25\%$).
2. The hotel then applies a 5% (based on the % of Foreign Government Revenue) allocation to the non-operating business expenses, which calculation is \$50,000 ($\$1,000,000 \times 5\%$).
3. The hotel profit therefore attributed to being from foreign government patronage ("**Foreign Government Profit**") is \$75,000 in this example. This is calculated as gross operating profit amount of \$125,000, less the \$50,000 amount of non-operating expenses for a net Foreign Government Profit of \$75,000.

Foreign Government Profit shall be tabulated for each wholly-owned Property on an Annual basis.

MANAGED HOTELS

For our managed Hotels, the Company, through its management agreements, may earn management and similar fees which may be based on a percentage of Property revenue or a fixed fee amount. For such fees where the fee is based on percentage of revenue or operating performance, the Company will attribute a percentage of the management fee based on a percentage of Foreign Government Percentage amount over total revenues. This percentage of the management fee, less the Company's associated corporate overhead expenses to administer the management services, shall be deemed as Profit from management fees attributed to foreign governments' patronage.



DONATIONS TO U.S. TREASURY

On an annual basis, and after the completion of our fiscal year, the Company's wholly-owned Properties shall send their Foreign Government Profit to a master Company bank account for aggregation. Also on an annual basis, and after the completion of the Company's fiscal year, the Company shall send to the same master Company bank account its accumulation of Profit from management fees that is deemed attributed from foreign governments' patronage. The Company shall then make its annual donation of Profit from foreign governments' patronage to the U.S. Treasury in one lump sum payment from this master account representing its voluntary donation in accordance with this policy.